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SUBJECT: INTELLECTUAL PROPERTY: DIRECON DG FURCHE PLEDGES GOC
ACTION

REF: SANTIAGO 419

1. (SBU) SUMMARY: Ambassador Simons met with Director General Furche, November 25, to press for progress on implementation of Chile's intellectual property rights (IPR) commitments under the U.S. - Chile Free Trade Agreement (FTA). Furche claimed Chile was making progress and cited three laws currently before the Congress: a copyright law, a law on piracy and illegal commerce, and a law on plant variety. He agreed to ask for a higher priority on the copyright legislation, which might speed its approval. Furche said he was interested in working on an information folio on the FTA's successes in Chile. He was pleased at the outcome of the recent APEC Summit and the bilateral meeting between Secretary Rice and FM Foxley. Furche confirmed he or FM Foxley would attend the Pathways Ministerial in Panama. He also noted interest in the Trans-Pacific Partnership was growing. END SUMMARY.

2. (U) In a November 25 meeting at the MFA's Economic Directorate (DIRECON), Ambassador Paul Simons and Econoff met with Director General Carlos Furche and Paulina Nazal, Head of the North America Division.

Progress On IPR Commitments

3. (SBU) Ambassador Simons emphasized Chile needed to make more progress on implementing its IPR commitments under the FTA. This was a critical moment for the GOC, but the U.S. was seeing little movement with regard to the concerns we had raised in April (ref). DG Furche claimed Chile was making progress. The Congress was currently considering three draft IPR-related laws: 1) The Senate was working on a copyright law that had been approved by the Chamber of Deputies in October 2007 (which had over 200 proposed amendments). DIRECON recognized the importance of strengthening this law to incorporate the recommendations on internet service provider liability, exceptions and limitations, and penalties previously submitted by USTR. 2) The Senate had approved a law on Illegal Commerce and Piracy in early November, which had moved to the Chamber of Deputies for their approval. 3) The GOC had recently (in the last few days) introduced a law that would ratify the International Convention for the Protection for New Varieties of Plants (an FTA obligation).

4. (SBU) The Ambassador noted the lengthy approval process involved with the copyright law and asked if Congress or the GOC could accelerate this process. Furche agreed the legislation was bogged down. It had been given low priority in the Congress. He would try to get the GOC to raise the priority to "maximum urgency," which could speed up the process considerably. Furche was committed to clearing all three laws through the Congress as soon as possible.

The Ambassador offered to meet with Chilean members of Congress to highlight the importance of the legislation and outline U.S. concerns.

15. (SBU) In response to the Ambassador's query on the status of Chile's patent process, Paulina Nazal explained the Ministry of Health had proposed new draft regulations related to patents in July. The GOC thought these regulations might address some concerns expressed by pharmaceutical companies. The Ministry of Health had received comments on the draft regulations, which were now ready for approval by the Presidency. Once approved, they would be published and implemented, however this would probably occur after mid-December.

Other FTA Issues: Successes and Labor Chapter

16. (SBU) Furche expressed an interest in working with AmCham to develop an information folio on the FTA's successes in Chile. Free trade with the U.S. had played an important role in assisting Chile's economic development. The U.S. was the number one destination for small- to medium-sized Chilean exporters.

17. (SBU) The Ambassador asked about the status of the labor chapter of the FTA. Nazal explained representatives from the U.S. Department of Labor and Chilean Ministry of Labor had recently met in Geneva. They had discussed arrangements to facilitate greater cooperation between the USG and GOC on labor issues. Further follow-up was expected.

APEC: A Good Declaration, Good Meetings

18. (SBU) Turning to APEC, the Ambassador noted the Summit had produced a useful Declaration. Furche agreed calling the Summit a success. He noted there had been significant uncertainty during the Summit over the news of Citibank's financial problems. Furche characterized the bilateral between Secretary Rice and FM Foxley as a "great" meeting and was equally pleased with the results of his meeting with Ambassador Schwab.

Pathways Ministerial: We'll Be There

19. (SBU) Furche said either he or FM Foxley would attend the Pathways Ministerial in Panama on December 10. Foxley and Secretary Rice had an excellent relationship. Given her personal appeal for Chile's participation in the Ministerial, Furche thought Foxley would find it hard not to attend. Furche cited one possible conflict. Trade ministers were organizing for a possible WTO Ministerial in Geneva to try to restart the Doha Round around the time of the Pathways Ministerial. However, Furche assured the Ambassador the GOC would be at the Panama meeting.

Trans-Pacific Partnership: Interest Growing

110. (SBU) Furche reported that during the APEC Summit, members of the Trans-Pacific Partnership (P-4) had reaffirmed their intent to expand to seven members (to include Australia, Peru, the U.S., and possibly Vietnam). Chile was delighted with this development. Other countries were also expressing interest in the P-4, including Canada (though this might be tempered by concerns from their dairy industry).
SIMONS